NEWS ITEMS ON CAG/ AUDIT REPORTS (29.04.2022)

1. 56 autonomous bodies of J&K and Ladakh haven't gone in for audit for years: CAG *(tribuneindia.com)* 29 Apr, 2022

The Comptroller and Auditor General (CAG) of India today said there were 56 autonomous bodies in J&K and Ladakh that had failed to submit their accounts for audit, many of them for decades. The CAG, in a report, said that delay in submission of the accounts entailed the "possibility of a fraud". It said the bodies had been asked to submit the accounts time and again for annual audit. A total of 811 annual accounts were awaited from these autonomous bodies as on October 2019.

The Jammu Development Authority (JDA) figures on the top of these autonomous bodies to be audited under Section 14 of the CAG's (DPC) Act, 1971. The JDA's accounts are awaited for past 46 years from 1972-73 to 2018-19, the report said. This organisation is followed by the Srinagar Municipal Corporation, whose accounts are pending for submission for 31 years from 1988-89 to 2018-19.

While audit accounts of the Pollution Control Board are pending for 24 years from 1996-96 to 2018-19, the same of the Srinagar Development Authority, the Jammu Urban Development Agency and the Tourism Development Authority, Gulmarg, have pending for 20, 20 and 19 years, respectively, it said.

The autonomous bodies come under the purview of the Comptroller and Auditor General and are required to submit their accounts before June 30 every year.

The report said the Ladakh Autonomous Hill Development Council (LAHDC), Leh, had failed to submit accounts since its inception in 1995-96. The SKUAST Universities of Kashmir and Jammu, EPF Board (Srinagar), KVIB, BOCWWB and the SLSA had not submitted accounts for period ranging from one to nine years, the report said.

It further noted that the same is the position in respect of LAHDC, Kargil, which came into existence in 2004-05 and the accounts are in arrears since its inception.

The CAG report said in respect of 10 autonomous bodies, which were to render annual accounts to audit body, 84 accounts were not rendered for the period ranging between one to 24 years.

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-The Jammu Development Authority figures hasn't submitted papers for 46 years. https://www.tribuneindia.com/news/j-k/56-autonomous-bodies-of-jk-and-ladakh-havent-gone-in-for-audit-for-years-cag-390237

2. 56 autonomous bodies in J&K, Ladakh have not submitted accounts for audit for past many decades: CAG *(timesofindia.indiatimes.com, devdiscourse.com)* Apr 28, 2022

JAMMU: The Jammu Development Authority is among 56 autonomous bodies in Jammu and Kashmir, and Ladakh that has not submitted accounts for audit for the past many decades, the

Comptroller and Auditor General (CAG) of India has said, noting that the delay in finalisation of accounts entails the possibility of "fraud" and "misappropriation".

The CAG pointed out that there is no feedback on the activities and financial performance of these bodies over the years.

"A total of 811 annual accounts of 56 autonomous bodies to be audited under Section 14 of the CAG's (DPC) Act 1971 were awaited from these autonomous bodies as on October 2019," it said in its latest report issued recently.

The CAG said the matter has been taken up with these bodies time and again for submission of annual accounts for audit.

The Jammu Development Authority (JDA) figures on top of all these bodies in terms of pendency of audit accounts, as its accounts for audit are awaited for past 46 years from 1972-73 to 2018-19, the report said.

This organisation is followed by the Srinagar Municipal Corporation, whose accounts are pending for submission for 31 years from 1988-89 to 2018-19. While audit accounts of the Pollution Control Board are pending for 24 years from 1996- 96 to 2018-19, the same of Srinagar Development Authority (SDA), Jammu Urban Development Agency (JUDA) and Tourism development Authority Gulmarg is pending for 20, 20 and 19 years, respectively, it said.

As per the Comptroller and Auditor General of India (DPC) Act 1971, the autonomous bodies come under the audit purview and are required to submit the annual accounts to audit before June 30 every year.

The CAG report said in respect of 10 autonomous bodies, which were to render annual accounts to audit body, 84 accounts were not rendered for the period ranging between one to 24 years.

The report pointed out that the audit of the Ladakh Autonomous Hill Development Council (LAHDC), Leh, and the LAHDC, Kargil, has been entrusted to the CAG of India.

"LAHDC, Leh has failed to submit accounts for audit since its inception i.e. 1995-96, although substantial sums are being released to the Council and unspent balances at the end of the year remain credited in a non-lapsable fund in the public account of the state," the report said.

It further noted that the same is the position in respect of LAHDC, Kargil, which came into existence in 2004-05 and the accounts are in arrears since its inception.

The Compensatory Afforestation Management and Planning Authority (CAMPA) too has not submitted the accounts for audit since its inception, i.e. November 2009, the report said.

Similarly, SKUAST, Kashmir, SKUAST, Jammu, EPF Board, Srinagar, KVIB, BOCWWB and SLSA have also not submitted their accounts for audit for the period ranging between one to nine years, it said.

“Non-submission and delay in submission of accounts by these bodies receiving substantial funding from the state budget is a serious financial irregularity persisting for years," the CAG said.

It said the delay in finalisation of accounts carries the risk of financial irregularities going undetected and entails the possibility of fraud and misappropriation.

"This has also deprived the state legislature the opportunity to get feedback on their activities and financial performance," it added.

The government may take up the matter with these bodies for timely preparation and submission of accounts, the CAG said. https://timesofindia.indiatimes.com/india/56-autonomous-bodies-in-jk-ladakh-have-not-submitted-accounts-for-audit-for-past-many-decades-cag/articleshow/91149752.cms

3. CAG Raps 56 Autonomous Bodies over Accounts Audit *(kashmirobserver.net)* 28 Apr, 2022

Jammu-The Jammu Development Authority is among 56 autonomous bodies in Jammu and Kashmir, and Ladakh that has not submitted accounts for audit for the past many decades, the Comptroller and Auditor General (CAG) of India has said, noting that the delay in finalisation of accounts entails the possibility of “fraud” and “misappropriation”.

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4. PSUs in J&K incurred Rs 1007 crore losses: CAG *(greaterkashmir.com)* 29 Apr, 2022

Srinagar: The Comptroller and Auditor General of India has raised concern over loss-making Public Sector Undertakings (PSUs) in Jammu and Kashmir.

As per the CAG report, 25 working PSUs registered an annual turnover of Rs 11,298.17 crore and suffered an aggregate loss of Rs 1,007.93 crore as of December 31, 2020 as per their latest finalised accounts. "There are 10 non-working PSUs, with an investment of Rs 57.57 crore towards share capital (Rs 56.74 crore) and long term loans (Rs 0.83 crore), by the GoJ&K which are non-operational for the last six to 30 years".

"As of 31 March 2020, there were 42 PSUs (six in Power Sector and 36 in Sectors other than Power Sector), including three Statutory Corporations under the audit jurisdiction of the Comptroller and Auditor General of India (CAG); Out of these 42 PSUs, 32 are working and 10 are non-working (four in Power Sector and six in Sectors other than Power Sector). One PSU, Jammu and Kashmir Bank Limited have a total paid-up equity of Rs 71.36 crore is listed on the stock exchange since July 1998," the CAG report reads.

During the year 2019-20, no PSU was incorporated whereas the Government (erstwhile State/UT) of Jammu and Kashmir (GoJ&K) decided (24 October 2019) to wind up one PSU viz. J&K Asset Reconstruction Limited was incorporated on 28 April 2017. "There are 10 non-working PSUs, with an investment of Rs 57.57 crore towards share capital (Rs 56.74 crore) and long term loans (Rs 0.83 crore), by the GoJ&K which are non-operational for the last six to 30 years."

As per the CAG, the Public Sector Undertakings (PSUs) are established to carry out activities of commercial nature keeping in view the welfare of people and occupy an important place in the economy of the State/UT. These PSUs consist of Government Companies and Statutory Corporations.

"One PSU, Jammu and Kashmir Bank Limited having a total paid-up equity of Rs 71.36 crore is listed on the stock exchange since July 1998. The paid-up equity of Rs 71.36 crore of the Bank is held partly by the Government of Jammu and Kashmir (68.18 per cent) and the remaining part by Foreign Institutional Investors, Resident Individuals and others (31.82 per cent)."

There are two power generation Companies, Jammu & Kashmir Power Development Corporation Limited (JKPDC) and Chenab Valley Power Project Private Limited (CVPPP). CVPPP is a joint venture Company with an investment of Rr 1,780.08 crore as of March 2020.

As a consequence of the unbundling of the Power Sector, one power transmission Company, two power distribution companies and one Company to conduct trading activities in power were incorporated by the GoJ&K. https://www.greaterkashmir.com/todays-paper/kashmir-todays-paper/psus-in-jk-incurred-rs-1007-crore-losses-cag

5. JKMSCL, JKEDI, 5 other PSUs never submitted accounts for audit since inception: CAG *(greaterkashmir.com)* 29 Apr, 2022

Srinagar: The Comptroller and Auditor General of India (CAG), in its latest report has said that J&K Medical Supplies Corporation Limited (JKMSCL), the sole procurement agency for the healthcare systems in the UT, and a few other PSUs have not submitted its accounts for auditing since its inception.

Seven Public Sector Undertakings of J&K, including JKMSCL, J&K Entrepreneurship Development Institute (JKEDI), J&K IT Infrastructure Development Private limited have not submitted their accounts and records for auditing to CAG since inception.

The report, pertaining to the year ended in March 2020 has said that "Jammu & Kashmir Asset Reconstruction Limited and seven working PSU, Jammu & Kashmir Medical Supplies Corporation Limited, Jammu & Kashmir IT Infrastructure Development Private Limited and AIC-Jammu & Kashmir EDI Foundation, Jammu Smart City Limited, Srinagar Smart City Limited, Jammu Mass Rapid Transit Corporation Pvt. Limited, Srinagar Mass Rapid Transit Corporation Pvt. Limited which never submitted their accounts since inception."

The JKMSCL has drawn blank in all the audited parameters of the report, including state investment, taxed and non taxed revenue and equity and outstanding loans. "The Company though incorporated in March 2014 has not yet submitted its account to this office for supplementary audit," the report reads.

"For the years 2014-15 to 2017-18, five companies, Jammu & Kashmir Overseas Employment Corporation Limited, Jammu & Kashmir Medical Supplies Corporation Limited, Jammu & Kashmir State Road Development Corporation and Jammu & Kashmir International Trade Centre Corporation Limited and for the year 2018-19, additional nine newly incorporated companies and for the year 2019- 20, Jammu & Kashmir Overseas Employment Corporation Limited, six inactive Companies and seven Companies which have not submitted their accounts since inception".

The JKMSCL was established in 2014 and entrusted with 'procurement of drugs, medicines and medical equipment, etc in the State of Jammu and Kashmir for the Department of Health and Medical Education and other Health institutions'. The company is fully owned by J&K Government and has been supplying the hospitals of the entire UT with all their consumables, disposables, medicines, equipment, furniture, and other requirements.

The hospitals and health institutions in the UT are required to transfer their funds to JKMSCL with the requirements. A senior health official said the mechanism was brought in place on the lines of Tamil Nadu Medical Supplies Corporation to streamline procurement and eliminate discrepancies in rates of various items.

Managing Director JKMSCL, Dr Yashpal Sharma said the CAG report pertains to a period prior to March 2020. He said the CAG had not appointed an auditor for JKMSCL for 'many years'.

"Now it has been done and the auditor has inspected our accounts. This will be reflected in future CAG reports," he said. In addition, Dr Sharma said, the Corporation has also undergone a Performance Audit. "We are not averse to audits but it is just that there were some delays in auditing," he said. https://www.greaterkashmir.com/todays-paper/kashmir-todays-paper/jkmscl-jkedi-5-other-psus-never-submitted-accounts-for-audit-since-inception-cag

6. JKMSCL, JKEDI among 7 PSUs never submitted accounts for audit: CAG *(thenorthlines.com)* 29 April 2022

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As a consequence of the unbundling of the Power Sector, one power transmission Company, two power distribution companies and one Company to conduct trading activities in power were incorporated by the GoJ&K. https://www.thenorthlines.com/jkmscl-jkedi-among-7-psus-never-submitted-accounts-for-audit-cag/

7. Govt fails to realistically evaluate impact of developmental works on forest areas *(dailyexcelsior.com)* 29 April 2022

Jammu: Astonishing it may sound but it is a fact that Government of Union Territory of Jammu and Kashmir has failed to realistically evaluate the impact of the developmental works on the forest areas and results of compensatory afforestation. Moreover, the funds for the plantations are not being utilized within the stipulated time-frame mainly because of slackness at the various levels in the Forest Department.

As per the operational guidelines for Compensatory Afforestation Management and Planning Authority (CAMPA), the Annual Plan of Operations (APOs) is required to be prepared after conducting detailed survey to collect physical data for identifying the treatment measures like planting in trenches in hilly areas, pit planting with water harvesting measures in flat areas, etc.

However, during the audit conducted by the Comptroller and Auditor General of India, it came to the fore that in 27 Forest Divisions, no survey was conducted prior to preparation of Annual Plan of Operations (APOs), which instead were prepared on the basis of the financial limits fixed by Principal Chief Conservator of Forests (PCCF). "No funds were released during 2015-20 for survey in respect of 27 selected divisions. The impact of development project on the forest area and results of compensatory afforestation could not be realistically evaluated in the absence of surveys", the CAG said, adding "non-conducting of survey also resulted in disputes necessitating change of sites at three places for carrying out plantation".

The Divisional Forest Officers stated that informal talks were held with the people residing in the area where forest closures were to be developed and provisions for survey and demarcation were proposed in the APOs but no funds were released for the purpose of survey. "The Additional PCCF CAMPA intimated in the month of July 2021 that several Implementing

Agencies (IAs) have now projected fund requirements for survey works during 2021-22 in their APOs which have been approved", the CAG said, adding "APCCF, CAMPA further stated in November 2021 that specific survey requirements projected by DFOs in APOs would be met"
.
Similarly, the Operational Guidelines envisage that Implementing Agencies (IAs) should formulate APOs for the forthcoming financial year by August which after technical appraisal shall be put up to the executive committee during November. The APOs with breakup of proposed activities and estimated cost thereof shall be put up to the Steering Committee on whose approval shall be communicated to the IAs by December 31.

During the audit, the CAG noticed in the month of April 2021 delays between one month to 16 months in formulation of APOs by the IAs; between 21 days and eight months in accordance of approval by the Executive Committee and between 23 days and eight months in approval by the Steering Committee.

Due to delay in preparation and finalization of APOs, the utilisation of funds of Rs 18.69 crore was delayed. As a result, plantation of 10.694 lakh saplings for rehabilitation of 894.68 hectare of degraded forest, fencing of 3.03 lakh running feet, 1.17 lakh pasture patch development works, raising of 17.4 lakh nursery plants and 1,964 cum of dry rubble stone masonry (DRSM) could not be carried out in respective years of plan.

In 20 of the 27 test checked Forest Divisions, during 2015-2020, utilization of funds of Rs 5.72 crore was delayed affecting plans of plantation of 1.53 lakh saplings for rehabilitation of 159.37 hectare of degraded forest, fencing of 0.707 lakh running feet, 0.72 lakh of pasture patch development works, raising of 4.19 lakh nursery plants and 50 cum of dry rubble stone masonry (DRSM) could not be carried out.

The Additional PCCF stated in the month of November 2021 that meetings of Executive Committee were held in December of the preceding year for APOs of 2019-22 and meetings of the Steering Committee were also held well before commencement of financial year. They added that unspent amount wherever required is revalidated in the next financial year for completion of plantation works.

The Additional PCCF further stated that because of climatic conditions most of the afforestation works were being carried out during winter after melting of snow in February and due to short time period available for execution of works before close of the financial year some of the works spill over to the next financial year. The fact remained that climatic factors were not an unforeseen event and the Department should have factored them in implementation of APOs and timelines should have been adhered to, the CAG has mentioned in the report. https://www.dailyexcelsior.com/govt-fails-to-realistically-evaluate-impact-of-developmental-works-on-forest-areas/

8. रिपोर्ट: जम्मू कश्मीर और लद्दाख की 56 स्वायत्त संस्थाओं ने दशकों से अकाउंट जमा नहीं करवाए- कैग *(amarujala.com)* 29 April 2022

जम्मू विकास प्राधिकरण सहित जम्मू-
कश्मीर और लद्दाख की 56 स्वायत्त संस्थाओं ने पिछले कई दशकों से ऑडिट के लिए अपने अकाउंट जमा नहीं करवाए हैं। नियंत्रक एवं महालेखा परीक्षक (कैग) ने यह जानकारी देते हुए इसकी देरी पर खातों में धोखाधड़ी और गबन की आशंका जताई है।

कैग ने अपनी रिपोर्ट में कहा है कि इन निकायों ने कई दशकों से गतिविधियों और अपने आर्थिक प्रदर्शन का ब्योरा नहीं दिया है। इन 56 स्वायत्त निकायों के कुल 811 खातों का ऑडिट होना है। रिपोर्ट में कहा गया है कि इन संस्थानों को बार-बार अपने सालाना अकाउंट जमा करवाने को कहा गया है।

खातों के ऑडिट नहीं कराने को लेकर इन संस्थानों में जम्मू विकास प्राधिकरण सबसे ऊपर है। इसके खाते 1972 से लेकर 2019 तक का ऑडिट नहीं हुआ। इसमें 10 स्वायत्त संस्थान ऐसे हैं, जिनके 84 खाते एक से 24 साल तक ऑडिट नहीं हुए है। लेह और लद्दाख के खातों का 1995-
96 से अब तक ऑडिट नहीं हुआ है। https://www.amarujala.com/jammu/cag-report-said-56-autonomous-bodies-of-jammu-kashmir-and-ladakh-have-not-deposited-accounts-for-decades

9. जम्मू-कश्मीर, लद्दाख में 56 स्वायत्त निकायों ने कई दशकों से ऑडिट के लिए बहीखाते नहीं दिए: कैग *(navbharattimes.indiatimes.com)* 28 Apr 2022

भारत के नियंत्रक और महालेखा परीक्षक (कैग) ने कहा है कि जम्मू-कश्मीर और लद्दाख के 56 स्वायत्त निकायों ने पिछले कई दशकों से ऑडिट के लिए अपने बहीखाते नहीं दिए हैं। इन निकायों में जम्मू विकास प्राधिकरण शामिल है।

कैग ने कहा कि बहीखाते देने में देरी से "धोखाधड़ी" और "गड़बड़ी" की आशंका को बल मिलता है।

कैग ने बताया कि इन निकायों की गतिविधियों और वित्तीय प्रदर्शन पर पिछले कई वर्षों से कोई टिप्पणी नहीं की गई है।

कैग ने हाल में जारी अपनी रिपोर्ट में कहा, ''कैग (डीपीसी) अधिनियम 1971 की धारा 14 के तहत अक्टूबर, 2019 तक इन 56 स्वायत्त निकायों के कुल 811 वार्षिक खातों का ऑडिट किया जाना था।''

कैग ने कहा कि ऑडिट के लिए वार्षिक लेखा प्रस्तुत करने के मामले को बार-बार इन निकायों के साथ उठाया गया है।

रिपोर्ट में कहा गया है कि जम्मू विकास प्राधिकरण (जेडीए) ऑडिट के लिए लंबित खातों के मामले में इन सभी निकायों में सबसे ऊपर है। जेडीए के खाते ऑडिट के लिए पिछले 46 वर्षों से लंबित हैं।

इसके बाद श्रीनगर नगर निगम का स्थान हैं, जिसके खाते 31 साल से लंबित हैं। राज्य प्रदूषण नियंत्रण बोर्ड के खाते 24 वर्षों से लंबित हैं। इसके अलावा श्रीनगर विकास प्राधिकरण (एसडीए), जम्मू शहरी विकास एजेंसी (जेयूडीए) और पर्यटन विकास प्राधिकरण गुलमर्ग के खाते भी कई वर्षों से ऑडिट के लिए लंबित हैं। https://navbharattimes.indiatimes.com/business/business-news/56-autonomous-bodies-in-jk-ladakh-have-not-given-books-for-audit-for-several-decades-cag/articleshow/91154712.cms

10. जेडीए ने 46 साल से आडिट तक नहीं करवाया, अकाउंट का आडिट न कराना गड़बड़ी होने का संकेत *(jagran.com)* Updated: 29 Apr 2022

जम्मू विकास प्राधिकरण (जेडीए) जिसके पास जम्मू को संवारने का जिम्मा है वह दशकों से बिना पारदर्शि ता के काम करना सवालों के घेरे में आ जाता है। जेडीए की तरह जम्मू कश्मीर व लद्दाख की 56 स्वायत्त इकाइयों ने कई दशक से अपना आडिट तक नहीं करवाया।

कंट्रोलर एंड आडिटर जनरल (कैग) को फंड का दुरुपयोग करने का शक है। वर्ष 1971 के अधिनियम के तहत अक्टूबर 2019 तक 56 इकाइयों से 811 वार्षिक अकाउंट आडिट के लिए नहीं मिले हैं। अकाउंट का आडिट न करवाना सीधे गड़बड़ी होने का संकेत होता है। कैग ने इन इकाइयों से अपने अकाउंट का आ डिट करवाने का मुद्दा उठाया है। आडिट न करवाने वाली स्वायत्त इकाइयों में सबसे ऊपर जम्मू विकास प्रा धिकरण है।

कैग की रिपोर्ट के अनुसार जम्मू विकास प्राधिकरण ने 46 साल से आडिट नहीं करवाया है। वर्ष 1972 से ले कर 2019 तक इस प्राधिकरण को आडिट के लिए अपन अकाउंट रिपोर्ट नहीं भेजी है। श्रीनगर नगर निगम ने 31 साल से आडिट नहीं करवाया है। निगम ने 1988 से लेकर 2019 तक अपनी कोई आडिट रिपोर्ट नहीं दी है। प्रदूषण नियंत्रण बोर्ड की आडिट रिपोर्ट 24 साल से लंबित है। बोर्ड ने 1996 से 2019 के बीच रिपोर्ट नही दी है। श्रीनगर विकास प्राधिकरण ने 20 साल, जम्मू अर्बन डेवलपमेंट एजेंसी ने 20 सालों व गुलमर्ग पर्य टन विकास प्राधिकरण की ओर से 19 साल से आडिट रिपोर्ट नहीं दी है।

30 जून से पहले करवाना होता है: कंट्रोलर एंड आडिटर जनरल के अनुसार दोनों प्रदेशों की सभी स्वायत्त इकाई को हर साल 30 जून से पहले अपना वार्षिक अकाउंट आडिट के लिए जमा करवाना होता है। इन प्र देशों की 10 स्वायत्त इकाइयां ऐसी हैं जिन्होंने एक से 24 साल के अरसे तक अपने अकाउंट का कैग से आ डिट नहीं करवाया है। उन्होंने 84 अकाउंट, आडिट के लिए नहीं दिए।

लेह और कारगिल हिल काउंसिल ने भी नहीं कराया आडिट: लद्दाख में लेह हिल काउंसिल और कारगिल हिल काउंसिलों ने गठन के बाद अब तक एक बार भी आडिट नहीं करवाया है। लेह हिल काउंसिल का 1 995 व कारगिल हिल काउंसिल का 2004 से आडिट नहीं हुआ है। कंपनसेटरी अफारेस्टेशन मैनेजमेंट एंड प्लानिंग ने नवंबर 2009 के बाद अपने अकाउंट का आडिट नहीं करवाया। जम्मू कश्मीर में एक साल से ले कर नौ साल के अरसे तक अकाउंट का आडिट न करवाने वाली इकाइयों में स्कास्ट कश्मीर, स्कास्ट जम्मू, ईपीएफ बोर्ड श्रीनगर, खादी विलेज बोर्ड मुख्य हैं।

वित्तीय गड़बड़ी का पता नहीं चल पाता: कैग के अनुसार अपने अकाउंट का आडिट न करवाना बड़ी वित्ती य अनियमतता है। इससे इनमें वित्तीय गड़बड़ी का पता नहीं चल पाता। विधायिका को उनके कामकाज के बारे में सही स्थिति का अंदाजा न होने के कारण सरकार को उनके कामकाज के बारे में सही जानकारी नहीं मिलती है। सरकार इन इकाइयों के साथ यह मुद्दा उठा सकती है। https://www.jagran.com/jammu-and-kashmir/jammu-jda-along-with-56-units-of-jammu-and-kashmir-and-ladakh-did-not-get-the-work-and-money-audited-22669563.html

11. Noida Land Scam, a throwback — Part II *(dailypioneer.com)* Updated: 29 Apr 2022

NOIDA Authority evaluated applicants' net worth overlooking the fact that the builders had applied for many plots in different schemes during the audit period

The C&AG has observed that allotment of two plots (GH 01 & 02, Sector-143) of more than two lakh sqm worth Rs 471.57 crore was made to Logix group of companies promoted by Shakti Nath in 2011, who failed to even qualify the technical eligibility criteria of a turnover of Rs 200 crore from real estate development and construction activities. In both cases, the bids should have been outright rejected. The Authority also failed to examine whether Logix group consortium had the requisite aggregate Net Worth to qualify for allotment of multiple plots.

It was further noted that the Authority had already earlier been allotted 3 commercial builder's plots (A-1/124, C-03/105 and CC-04/32) of 143250 sqm to ineligible Logix Group consortiums at the cost of Rs 1680.93 crore a few months ago in 2010-2011 even when they failed to meet the mandatory technical eligibility criterion of minimum turnover of Rs 200 crore from real estate development and construction activities and aggregated Net worth required for the plots. In addition, the Authority allotted another much bigger plot of sport city of 224 acre (907988 sqm) in Sector 150 in May 2011 to the ineligible Logix group consortium at the cost of Rs 1094 crore, overlooking the mandatory technical eligibility criterion of minimum turnover of Rs 200 crore from real estate activities during the previous three years (2007-2010). The Lead member of each Logix Group consortium was a software development company namely Logix Soft Tel Pvt Ltd. It has paid up capital of Rs 14 croreand turnover of Rs 9.70 crore in 2009-10. Thus, the Authority allowed the Logix Group consortiums led by a small software company to grab six large plots aggregating more than 300 acres valuing Rs 3246 crores in 2010-11.

Note: The Company had the paid up capital of Rs 1.00 lakh.** None of the participants in any consortiums had turnover in real estate development and construction activities.

The filings of Logix Soft Tel Pvt Ltd with MCA/GOI claimed that they became the holding company of 22 newly incorporated subsidiaries in 2010-2011. As per the Audit report, the modus operandi followed of Logix group was to submit bids for each plot through a Consortium (of 5-10 subsidiary /associate companies) and after allotment of the plot, the key members of consortium would exit and plots would be divided into sub-plots and allotted to subsidiaries, who in turn would sell/transfer the sub-plots to third parties. Mr Shakti Nath had constituted more than 50 subsidiary companies during 2009-12 in which Meena Nath and/or Vikram Nath were also directors. Shakti Nath is presently director in 33 companies, Meena Nath in 43 companies and Vikram Nath in 16 companies.

Three C (3C) group of companies on the strength of Three C Universal Developers Pvt Ltd, incorporated in March 2007, were allotted 3 GH plots of 3,84,295 sqm of Rs 860.66 crore, 4 Commercial builder's plots of 138286 sqm at the cost of Rs 1548.27 crore and two Sport City plots of 20,32,747.72 sqm (502.29 acre) at the cost of Rs 3428.58 crore. If this was not enough, a national newspaper has reported that the directors of 3C group of companies and their family members- Nirmal Singh, Surpreet Singh Suri, Vidur Bhardwaj and wife Richa Bhardwaj were also allotted 8 farm houses plots of 10,000 sqm each in prime sectors of the Noida city at throw-away prices in 2010-11. The 3C group had the outstanding dues of Rs 4694 crores as on 31st March 2020.

In all biddings, 3C Group used the parameters of Three C Universal Developers Pvt Ltd (DOI-7th March 2007, Turnover- Rs 155.6 cr & Net-profit-Rs 8.92 cr in 2009-10) to meet the technical eligibility criterion to grab multiple plots. The 3C group of companies also followed the same route of bidding through consortium of subsidiaries companies in grabbing the plots. The Directors- Vidur Bhardwaj, Supreet Singh Suri and Nirmal Singh had constituted large number of subsidiaries/associate companies during the period 2008-2012, bid through consortiums led by different subsidiaries and have since resigned from most of them. As per MCA records, Vidur Bharadwaj is presently a director in 4 active companies only but during the 2008-2012, he was director in more than 100 companies. Supreet Singh Suri and Nirmal Singh were also directors in more than 100 companies during this period.

Undue favour to builders by using net worth for multiple allotments.

In course of processing the bids, NOIDA Authority evaluated the net worth of the applicant companies case-wise, overlooking the fact that the builders had applied for many plots in different schemes during the audit period. As a result, the Authority failed to determine requirement of the net worth in aggregate in case of multiple applications of an applicant company/builder. Resultantly, several allottees/companies obtained more than one allotment of plot by leveraging their net worth multiple times. In a test check of GH plots, the C&AG found that 10 applicants were allowed to use their net worth more than once to garner 26 (sub-divided into 43 plots) allotments worth Rs 4,293.35 crore. The beneficiaries were: Supertech Ltd and Gaursons Ltd obtained 4 plots each, Ultra Homes and Gulshan HomZ got 3 plots each, Prateek Buildtech, Amrapali Homes, Unitech Ltd, Ajnara India, Agrawal Associates and Bihariji Ispat one each.

Over the years, Noida Authority relaxed many important terms and conditions like financial qualifications criterion of net worth, solvency and total turnover, provisions of escrow account, bank guarantee etc. The Authority also kept on reducing the payment of upfront allotment money from 40 per cent of the land premium in 2006-07 in phases to as low as 10 per cent in 2009-10. In 2009, Noida Authority took further steps viz. rescheduling of eight-year repayment term with two-year moratorium, sub-division of plots (above 40,000 sqm), transfer of sub-plots, deposit of 10 percent of lease premium till execution of lease deed, etc., to provide relief to the allottees ostensibly to combat the 2008 recession/economic conditions. The Authority however continued these rebates/ relaxations indefinitely. As a result, the allottees were required to make the payment of lease premium/cost of the plots over a period of ten years from the date of allotment. This reduction substantially reduced the financial commitment of the developers and enabled them to garner more or bigger plots and launch more and more projects without completing the existing ones. Further these plots were sub-divided and illegally transferred/sold to third parties on premium through changes in the share-holding of the subsidiaries companies. https://www.dailypioneer.com/2022/columnists/noida-land-scam---a-throwback-----part-ii.html

12. No diversion of disaster funds: Andhra tells Supreme Court *(hindustantimes.com)* Apr 29, 2022

The Supreme Court on Thursday directed the Andhra Pradesh chief secretary to file a response on whether the state had allegedly diverted funds from the state disaster response fund, meant for paying Covid ex-gratia, towards financing subsidy scheme for farmers.The alleged diversion was said to be to the tune of ₹1,100 crore.

Although notice was issued to the state on April 13, the state government represented by Mahfooz A Nazki told the Supreme Court that an affidavit could not be filed in this regard as the finance secretary, who had to file the affidavit, had a medical emergency on account of his father's operation due to which certain documents could not be attached to the affidavit.

The bench of justices MR Shah and BV Nagarathna were amused at this request and said, "Has he taken the office with him to the hospital. Is there no other person to assist in his office?" The court made it clear that they would not like the response from finance secretary in this matter but the chief secretary.

The Supreme Court granted a last chance to the state to file affidavit through chief secretary and posted the matter for hearing on May 13.

The proceeding against the state was taken up in the pending matter concerning Covid ex-gratia payout where an application was filed by a former AP legislator Palla Srinivasa Rao, belonging to the Telugu Desam Party (TDP).

The application relied on a March 12, 2022 letter written by Union minister of state for finance Pankaj Chaudhary to TDP MP Kinjarapu Ram Mohan Naidu giving details of the alleged diversion that was flagged by the comptroller and auditor general (CAG) in its report on state finances of Andhra Pradesh for the year ending March 2020, seeking corrective steps to be taken by the state government.

The letter issued by the finance ministry stated that the Andhra Pradesh government received an amount of ₹324.15 crore as central share of state disaster response fund (SDRF) and an amount of ₹570.91 crore under national disaster response fund (NDRF) from the Centre. From these accounts, an amount of ₹1,100 crore was transferred by the state government to personal deposit account of commissioner, directorate of agriculture towards payment of input subsidy to farmers for kharif crop as a "gratuitous relief", the letter said.

The court had on the earlier occasion taken a serious view of the matter and had sought the response from the state.

Nazki told the court that there was no diversion of funds as the money in question was paid for drought relief. He informed the bench that the state government had even responded to the CAG's finding but the same could not be located. The bench told Nazki, "This document should be readily available with you."

Rao had filed the application as he felt that this diversion of funds severely impacted the payment of ex-gratia of ₹50,000 for the kin of those who died due to Covid-19. Further, he alleged that such diversion was a violation of the Appropriation Act and the Disaster Management Act (DMA) of 2005.

The application said, "The respondents (states) are duty bound to utilize the said fund for emergency response, relief and rehabilitation and that too in accordance with the guidelines laid down by Central Government in consultation with the National Authority…. by way of the letter dated March 12 issued by Minister of State for Finance, Government of India, it is crystal clear that state of Andhra Pradesh has acted not only in violation of DMA, 2005 but also acted against the provisions of Appropriation Act (sic).” https://www.hindustantimes.com/india-news/no-diversion-of-disaster-funds-andhra-tells-supreme-court-101651175602543.html

13. Congress alleges Rs 4,600-cr food scam under BJP government *(tribuneindia.com, theshillongtimes.com)* 28 Apr 2022

The Congress on Thursday alleged a Rs 4,600-crore food scam which, it said, has exposed the “real face” of the Narendra Modi government as the party demanded a full disclosure as well as punishment for those involved.

At a press conference, Congress spokesperson Abhishek Singhvi alleged the government changed the rules of auction in 2018 under a scheme to provide pulses of Rs 4,600 crore to the poor and the armed forces only to “benefit a few big millers”.

He claimed the CAG has found how by NAFED “allowed” big millers to “swindle” tonnes of pulses meant for the poor with the conventional auction rules rewritten.

“Here is a government which is cheating over food products and allowing crooks to exploit something as basic as pulses. We have to thank Covid as this scam might not be unearthed so easily.

“With Covid, there was thought of distributing pulses for free or low cost and it unearthed this scam,” Singhvi alleged.

The Congress leader claimed it was a “huge scam”.

“I don’t think the facts are out before us. I don’t think that this is possibly even a part of the iceberg. We call upon the government to make a full disclosure immediately,” he said.

“We demand a comprehensive report on how this was allowed and punishment at the highest levels. We condemn this and call upon the public to condemn it. Above all, this shows the true nature of this government,” Singhvi said.

He claimed that when the UPA government brought the Food Security Act, the BJP opposed it and now “this food scam is happening under their government”.

Singhvi said this “scam” of pulses and seeds is “uncompassionate, unfeeling and an unsympathetic act”.

“It highlights the principled difference between 10 years of far-reaching social welfare schemes, including Food Security Bill, and the BJP’s idea of food scam.” He claimed the government had in 2018 changed the conditions of milling gram to make pulses and distributing them to the poor which were opposed by NAFED.

“Now, a scam of Rs 4,600 crore has been committed and it has been brought to light by a constitutional authority,” the Congress leader alleged.

He said, “The irony is that NAFED had on October 11 last year, in writing, opposed the change in rules and sought it be revoked.” https://www.tribuneindia.com/news/nation/congress-alleges-rs-4-600-cr-food-scam-under-bjp-government-390199

14. गरीब परिवारों और सेना को दी जाने वाली दाल में कुछ काला है? कांग्रेस ने लगाया 4600 करोड़ के घोटाले का आरोप, सरकार ने नकारा *(navbharattimes.indiatimes.com)* Updated: 28 Apr 2022

कांग्रेस ने गरीब परिवारों और सेना को दी जाने वाली दालों में भ्रष्टाचार के कालेपल का आरोप लगाया है। पार्टी का दावा है कि भ्रष्टाचार के कारण केंद्र सरकार को 4,600 करोड़ रुपये की चपत लगी है। कांग्रेस प्रवक्ता अभिषेक मनु सिंघवी ने कहा कि दाल के खेल में बड़ा भ्रष्टाचार हुआ है। उनका कहना है कि बीजेपी सरकार ने 2018 में दालों की दलाई के लिए पुरानी टेंडर प्रक्रिया को बदलते हुए नई टेंडर प्रक्रिया जारी की जिसके कारण यह घोटाला हुआ। हालांकि, सरकार ने इसे मनगढ़ंत बताते हुए कहा है कि टेंडर प्रक्रिया में कोई गड़बड़ी नहीं हुई है।

दलाई और पॉलिशिंग की पुरानी और नई प्रक्रिया का खेल समझें

सिंघवी ने कहा कि भारतीय राष्ट्रीय कृषि सहकारी विपणन संघ लिमिडेट यानी नाफेड (NAFED) ने दालों की दलाई और उनकी पॉलिशिंग के लिए दाल मिलों के साथ जो करार किया, उसकी प्रक्रिया दोषपूर्ण थी। उन्होंने कहा कि इस पूर खेल में 4,600 करोड़ रुपये का घोटाला हुआ। सिंघवी ने कहा कि पुरानी प्रकिया में नाफेड साबुत दलहन को खरीद कर दाल मिलों से उनकी दलाई, पॉलिशिंग और ढुलाई आदि की प्रक्रिया पूरी करता है। 2018 से पहले सरकार इस काम के लिए दाल मिलों को पैसा देती थी। इस काम के लिए सबसे कम पैसे की बोली लगाने वालों को ठेका दिया जाता था। नीलामी की इस प्रक्रिया को फ्लोअर रेट या लोअर रेट प्रोसेस के नाम से भी जाना जाता था।

टेंडर की शर्त बदलने से हुआ घोटाला

कांग्रेस प्रवक्ता ने कहा कि आमतौर पर 100 किलो साबुत दलहन के बदले दाल मिलें लगभग 70-75 किलो दाल सरकार को लौटाती थीं, लेकिन नई प्रक्रिया में सबसे कम बोली की जगह आउट टर्न रेशियो सिस्टम (OTR System) लागू करते हुए कहा गया कि जो सबसे ज्यादा दाल वापस करेगी, उसे टेंडर दिया जाएगा। कांग्रेस का कहना है कि इस सिस्टम में खामी यह है कि इसमें इसमें कोई लोअर लिमिट नहीं रखी गई। यानी सरकार ने यह बंदिश नहीं लगाई कि न्यूनतम इतने किलो से कम बोली नहीं लगाई जा सकती। सिंघवी ने कहा, 'सारा खेल इसी में है।'

बड़ी कंपनियों को सांठ-गांठ करने का मिला मौका

कांग्रेस नेता ने कहा कि नई प्रक्रिया के बाद छोटी दाल मिलों के लिए टेंडर प्रक्रिया में भाग लेने की गुंजाइश ही नहीं बची। केवल बड़ी कंपनियां ही इसमें बोली लगा सकती थीं और बड़ी कंपनियां आपस में मिलकर कम-से-कम दाल लौटाने की मात्रा तय करती हैं और बाकी बचा हुआ माल खुले बाजार में बेचकर मोटा मुनाफा कमा रही हैं।

कैग और एनपीसी की रिपोर्टों का दिया हवाला

कांग्रेस ने आरोप लगाया कि भारत के नियंत्रक और महालेखा परीक्षक यानी कैग (CAG) और भारत सरकार की एक ऑटोनोमस रिसर्च एजेंसी राष्ट्रीय उत्पादकता परिषद (NPC) ने इस प्रक्रिया की खामियों को उजागर करते हुए अपनी चिंताएं सामने रखी हैं। काउंसिल ने इस प्रक्रिया को बंद करने और इसमें कुछ बदला

व का सुझाव दिया था, लेकिन नाफेड ने उसे अनदेखा करते हुए अपनी उसी प्रक्रिया के तहत नीलामी जारी रखी।

ओटीआर सिस्टम 2017 से ही लागू: सरकार

हालांकि इन आरोपों के बारे में सरकार का कुछ और ही कहना है। ग्रामीण मंत्रालय के अधिकारियों के मुताबिक, सीएजी की ऐसी कोई रिपोर्ट है ही नहीं। वहीं अधिकारियों का कहना था कि टेंडरिंग का कोई नया या पुराना सिस्टम नहीं है। ओटीआर सिस्टम 2017 से ही लागू है, जिसमें सबसे ऊंची बोली लगाने वाले को टेंडर दिया जाता है। जहां तक सबसे कम बोली का सवाल है तो कुछ राज्य जरूर इस प्रक्रिया के तहत दाल मिलों से दाल लेते हैं। लेकिन ये राज्य दाल मिलों से सीधे तैयार दाल खरीदते हैं। https://navbharattimes.indiatimes.com/india/congress-alleges-rs-4600-crore-scam-in-free-pulses-scheme-to-poor-and-soldiers-through-nafed-tender-process/articleshow/91157920.cms

15. CAG Report: 6 जिलों में DMFT की योजनाओं के चयन और क्रियान्वयन में हुई गड़बड़ी

(lagatar.in) 28 April 2022

Ranchi: प्रधान महालेखाकार 6 जिलों में डीएमएफटी फंड की योजनाओं के चयन और क्रियान्वयन पर आपत्ति जताई है. यह जिला चतरा, हजारीबाग, धनबाद, रांची, बोकारो और लोहरदगा हैं. प्रधान महालेखाकार ने जिला खनिज फाउन्डेशन ट्रस्ट (DMFT) के कार्यकलाप पर हुए लेखा परीक्षा से संबंधित एक रिपोर्ट दिया गया है. रिपोर्ट के मुताबिक DMFT कोष में मिली राशि एवं PMKKKY Guidelines के अनुरूप योजनाओं के चयन एवं क्रियान्वयन में गड़बड़ी हुई है.

इसे लेकर अब खान निदेशक अमित कुमार ने छह जिलों के उपायुक्त सह DMFT निदेशक को एक पत्र लिखा है. पत्र में उन्होंने DMFT के कार्यों के संबंध में विस्तृत रिपोर्ट जल्द से जल्द कार्यालय को देने का निर्देश दिया है, ताकि समेकित प्रतिवेदन तैयार कर प्रधान महालेखाकार को उपलब्ध कराया जा सके.

CAG ने 19 अप्रैल को खान विभाग को भेजा प्रतिवेदन

CAG ने खान विभाग को 19.04.2022 को प्रतिवेदन भेजा है और 2 सप्ताह के अंदर तथ्यों को सत्यापित करके जवाब मांगा है. साथ ही विचार-विमर्श के लिए मई के पहले सप्ताह में दिन सुनिश्चित करने का भी आग्रह किया है. AG ने कहा है कि 2019-20 तक का प्रतिवेदन 22.10.2021 को भेजा गया था, जिस पर सरकार का जवाब अब तक नहीं आया.

जिलों के कलेक्शन और डायरेक्टर ऑफ माइंस के बैंक स्टेटमेंट में 42 करोड़ का फर्क

CAG के मुताबिक जिलों के डीएमएफटी ऑफिसर के फंड कलेक्शन और डायरेक्टर ऑफ माइंस के बैंक स्टेटमेंट में काफी अंतर है. 6 जिलों के DMFT ऑफिसर के मुताबिक, 2015-16 से 2019-20 के बीच 2898.33 करोड़ रुपये कलेक्शन हुए हैं, जबकि डायरेक्टर ऑफ माइंस के मुताबिक कलेक्शन 2940.33 करोड़ है. इसमें 42 करोड़ का अंतर दिख रहा है. https://lagatar.in/jharkhand-newscag-report-mistakes-in-the-selection-and-implementation-of-dmft-schemes-in-6-districts/

SELECTED NEWS ITEMS/ARTICLES FOR READING

16. How to shock-proof India's power sector *(indianexpress.com)* April 29, 2022

In October last year, India witnessed significant power shortages stemming from the low inventory of coal at the power plants. After seven months, we are back to square one as reports of coal-shortage induced power outages across states continue to pour in. On the one hand, there is a rush towards buying expensive coal and power on the exchanges. On the other, states like Andhra Pradesh and Gujarat have asked industries to reduce consumption to manage the power deficit. As economic activity resumed after the Covid-induced lockdowns, the demand-supply mismatch for commodities such as coal widened globally, leading to a surge in prices. Geopolitical tensions have exacerbated the existing crisis. Amidst such unprecedented volatility, how can the Indian power sector become more resilient to future shocks?

Global supply disruptions due to the Russia-Ukraine conflict have sent coal prices touching historical highs. The cost of imported coal in India is expected to be 35 per cent higher in the fiscal year 2022-23 compared to the past year. Subsequently, power producers paid a premium of up to 300 per cent in March to secure coal supplies in the domestic spot market.

Even as coal stocks available with state thermal power plants fell, India also witnessed a sudden rise in energy demand in March — the hottest in its recorded history. This pushed peak power demand to 199 GW in the middle of March. The last week of March saw a 13 per cent higher demand over past year trends, accompanied by high electricity prices on the power exchange. This has left distribution companies (discoms) with two options: Procure expensive power, but face uncertainty in revenue recovery or resort to power rationing, as several states are doing.

The Ministry of Power has taken a host of measures to alleviate the crisis. This includes giving directions to ensure maximum production of coal at captive mines, rationing of coal to non-power sectors, and a price cap of Rs 12 per unit on electricity traded on exchanges. But we need to do more to enhance the sector's resilience to such disruptions from exogenous factors.

First, create an enabling ecosystem to ensure power plants work efficiently. India has about 200 GW of coal-based generation capacity which accounts for nearly 70 per cent of the total electricity generated in the country. However, according to a CEEW assessment, a disproportionate share of generation comes from older inefficient plants, while the newer and efficient ones remain idle for want of favourable coal supply contracts or power purchase agreements. Revisiting fuel allocation and supporting the priority dispatch of efficient plants could help India reduce coal demand by up to 6 per cent of our annual requirement, and set aside more coal for the proverbial rainy day.

Second, enable discoms to undertake smart assessment and management of demand. We have advanced tools for medium- and short-term demand forecasting. However, few discoms have embraced these to inform their procurement decisions. With more than 90 per cent of power being procured through long-term contracts, discoms have little incentive to dynamically assess and manage demand. Introducing time-of-day pricing and promoting efficient consumption behaviour would help shave peak demand and avoid panic buying in the market.

Third, empower electricity regulators to help bring down discom losses. Despite two decades of sectoral reforms, the aggregate losses of discoms stand at 21 per cent (2019-20). This is reflective of both operational inefficiency and poor recovery of dues from consumers, including those affiliated with state governments and municipal bodies. These losses are also the reason for discoms not being able to pay the generators on time, resulting in payment delays to Coal India, which, in turn, is reluctant to supply coal on request. Besides the ongoing initiatives like introducing smart meters and network strengthening, empowering regulators would be critical to infuse payment discipline across the supply chain of the electricity sector and to keep cost recovery as a key metric.

Given the country's development aspirations, India's power demand is set to rise substantially and become more variable. Increasing climatic and geopolitical uncertainties underscore the need to become more efficient in the way we generate, distribute and consume energy. We need to act now for the long-term resilience of India's power sector. https://indianexpress.com/article/opinion/columns/how-to-shock-proof-indias-power-sector-7892254/

17. The Discom Story: There's pain and it ain't new *(moneycontrol.com)* April 29, 2022

Turning the distribution business around should be the core priority of policymakers. Till that happens, power shortages will remain a recurring problem and not an aberration.

This summer, power outages have come back to haunt us.

Some state discoms, which were earlier in denial mode, have now admitted to curtailing electricity supply. Some have branded load shedding as 'power holidays', while some others are managing the demand-supply mismatch under the guise of routine summer maintenance.

Different stakeholders have offered different reasons about what has caused this crisis. Those reasons include an increase in demand due to an early and harsh summer, the rise in economic activity, bottlenecks and limitations in transportation of coal from mines to power plants, the unfortunate timing of planned/unplanned maintenance shutdowns of power stations, as well as the high prices of imported coal and natural gas as a result of the Russia-Ukraine war.

These reasons may be mutually exclusive but are not collectively exhaustive. That is, while they do provide a sense of what is causing strained supplies in the immediate term, they miss highlighting what is at the core of the power shortage issue in India.

And that is the ability and ambition of state distribution companies to put their house in order.

Efficiency and Lack of Independence

The financial health and operational efficiency of discoms is crucial in order to have a reliable grid that can meet the energy needs of a growing economy.

Every single agency or stakeholder in the value chain of power supply — from coal miners and the railways to generators and electrical equipment vendors — are impacted by the viability of discoms. Efficient distribution operation is crucial not only for development of the power sector but also for the economy as a whole, since reliable electricity supply has a direct correlation with GDP.

However, in reality, state government-owned distribution companies lack the competence and independence to work efficiently, which in turn makes them financially unviable.

For starters, the technical and commercial losses of India's discoms are well above those of its peer nations and almost 2.5 times that of the world average as reported by the Government of India in its FY21 Economic Survey. In layman terms, this means that not all of what is generated is supplied, not all of what is supplied is metered, not all of what is metered is billed, and not all of what is billed is collected as revenue from customers. Between generation and bill collection, about 20% of units go unaccounted for and therefore cause a revenue loss to discoms.

Insufficient tariff recovery

Other factors impacting discom finances is the difference between the cost of electricity and the price at which electricity is sold to consumers. Even with continued support from the central government by way of direct grants and special loans disbursed through Power Finance Corporation Ltd, the all-India gap between the average cost of supply and average revenue realised is 0.32 Rs/kWh, per data reported on the Ministry of Power's UDAY portal. That is for every unit of electricity sold, the discoms are unable to recover 32 paise!

Timely tariff revisions are advised but in practice rate hikes are overshadowed by populous politics. For instance, in Telangana, retail tariffs were increased for FY23 after a gap of five years, during which rates were kept constant. TANGEDCO, the Tamil Nadu discom, which alone owes about 20 percent of the all-India outstanding dues to generators, has a track record of not filing tariff petitions for multiple years in a row.

Further there is the challenge of recovering regulatory assets, which are deferred spends of discoms that are supposed to be recovered via tariffs in future years. Given that tariffs already do not reflect current costs, such recoveries of past deferred spends has truly become an albatross around discoms' necks. Experts say that the regulatory assets may be worth well over INR 900 billion, recovery of which will result in a tariff shock to consumers.

The spiral of payment risk

The fallout of this inefficiency and mismanagement is reflected in the discoms' ability to pay power generators and other vendors, creating a downward spiral of payment security risk.

The financial weakness of discoms and delays in payment are constantly flagged as a key challenge by government-owned and private generators alike. As of end February 2022, the total dues of power discoms to generators was INR 1,009 billion, with the largest outstanding from the discoms of Tamil Nadu, Maharashtra and Uttar Pradesh. This is a huge jump from the outstanding dues of INR 620 billion just eight months ago, in June 2021.

A Supreme Court order in January 2022 went to the extent of warning defaulting discoms of nil supplies from generators unless the payment culture improves. According to recent media reports, some private power producers in Maharashtra discontinued part of their supply to the Maharashtra state discom on account of mounting arrears. This further aggravated the already tough situation of meeting summer demand in the state.

Transmission service providers, too, are not spared and lately there has been a worrisome trend of an increase in payments outstanding, especially from Uttar Pradesh, Jammu & Kashmir, Madhya Pradesh, Tamil Nadu and Telangana.

Down the line, national coal miner Coal India Limited has time and again complained about stress on its accounts due to late payment by generators. The CIL Annual Report states its days sales outstanding increased from 44 days in FY20 to 64 days in FY21. The outstanding dues payable by power sector users to CIL stood at a staggering Rs 123 billion as of end FY22.

History of financial stress

Discoms are no doubt the primary originator of financial disorder — a fact that is not new. In the past, too, several committees and experts have highlighted the need for a stricter payment security mechanism. There have been warnings of a full-blown banking crisis due to the increase in power sector non-performing assets.

India's inefficient, loss-making discoms jeopardise investments by other players, thereby impacting the long-term flow of funds for growth and development of the sector. HDFC Chairman Deepak Parekh had once talked of the power sector being like a leaking bucket — any effort to collect water would be futile unless the holes were fixed.

Resources adequacy and discom viability are two sides of the same coin. The distribution business turnaround should be the core priority for policymakers to minimise waste and optimise the use of limited resources, including fuel, finance and the workforce.

Till that happens, power shortages will remain a recurring problem and not an aberration. https://www.moneycontrol.com/news/business/the-discom-story-theres-pain-and-it-aint-new-8428921.html

18. Challenging times ahead for India despite rosy numbers *(cnbctv18.com)* April 28, 2022

Tax revenues in 2021-22 have exceeded the Union Budget estimates by as much as Rs 5 lakh crore. The tax revenue was estimated at Rs 22.17 lakh crore against the revised estimates of Rs 19 lakh crore with a growth of 17 percent.

As against this, the revenue collections are Rs.27.07 lakh crore - almost Rs 5 lakh crore above the budget estimates. This is a growth of 34 percent over the collection of last year. Growth of almost 49 percent has been registered in direct taxes. The growth in indirect taxes being of the magnitude of 20 percent.

The tax to GDP ratio is 11.7 percent. Direct tax to GDP ratio at 6.1 percent and indirect tax to GDP ratio at 5.6 percent being the highest in some time. Tax buoyancy is at a healthy 1.9; 2.8 for direct taxes and 1.1 for indirect.

Merchandise exports touched an all-time high of USD 417.81 billion in FY 2021-22 -an increase of a phenomenal 43.18 percent over USD 291.81 billion of the previous fiscal.

The foreign exchange reserves are 21.5 percent of the GDP. While this is entirely dependent on external factors it is still remarkably good.

So, the parameters do suggest that all is indeed well. Or is it?

CPI inflation touched a 17-month high of 6.95 percent in March 2022. There has been an increase in inflation across most categories and specifically a sharp rise in food inflation. The average annual CPI inflation for FY22 came in at 5.51 percent, higher than RBI's projection of 5.30 percent. Paradoxically, inflation has helped boost GST revenues since taxes are at ad-valorem rates.

There is a real possibility of inflation exceeding 7 percent. And when this happens the RBI will in terms of the RBI Act (when the breach of 6 percent takes place for three quarters in a row) will have to give a written explanation to the Government to describe steps it is taking to control inflation. That would be interesting.

As has been pointed, WPI inflation is a good indicator on what is happening on the producer's side as it is broadly speaking a producer's price index. This index is dominated by manufactured products which have a weight of 64 percent in the index. They are influenced by global factors to a significant extent, especially in the current context.

WPI in March has come in at 14.5 percent, which is higher than last month. All three sub-heads, primary (15.5 percent), manufacturing (10.7 percent) and fuel (34.5 percent witnessed an increase. Fuel and power inflation in March'22 rose to 34.5 percent from 31.5 percent in February'22.

While foreign exchange reserves are good, we should juxtapose this with the fact of portfolio outflows steadily increasing. They have crossed the USD 20 billion mark in the last few months.

And while the increase in exports is a cause for celebration, we should not forget to acknowledge that imports have also increased. India's merchandise imports touched USD 610.22 billion in April 2021-March 2022. This is an increase of 54.71 percent.

The supply disruptions and shipping delays due to the ongoing Russia-Ukraine conflict have had severe consequences. Food, edible oils, fertilisers and crude oil prices are at very high levels in the international markets. There is no end to the war in sight. With India's high import dependency on these items, the outlook for domestic inflation remains uncertain.

If high global commodity prices persist, India's Current Account Deficit (CAD) could well be above USD 100 bn in FY23. This will be almost equal to 3 percent of GDP. Such a deficit level would be a record in absolute terms.

The IMD has predicted a normal monsoon last week which has brought some cheer. The arrival, progress, spread and withdrawal of the monsoon are important. We will have to wait and see how this pans out.

Fertiliser shortage ahead of the Kharif sowing season beginning in June could be detrimental to the farm sector. This could lead to further food inflation. This will more than offset the prediction of a normal monsoon. Further, there will be a huge impact of increased global oil prices on the transport sector. This will indirectly affect the prices of other commodities.

The Centre for Monitoring Indian Economy (CMIE) has pointed out that more than 20 million jobs have been lost in the last few years .15 million jobs are estimated to have been lost in manufacturing alone. Given the high inflation and global challenges, it seems unlikely that the situation will improve.

There are newspaper reports that there is a proposal to moving some items from the 5 percent GST rate to a new rate of 7-8 percent. While an increase in rate will definitely increase revenue- it will definitely also contribute to inflation. This will also mean yet another GST slab.

How the Government reacts to these challenges will be key. The effectiveness of the PLI schemes and Gati Shakti, the spend on infrastructure will determine how quickly the economy gets revitalised. Cutting excise duty on petroleum products is a measure which should reduce inflation across sectors -but will hurt revenues.

All in all, we have challenging times ahead. We will have to manoeuvre the path ahead carefully. The dangers of not doing so are grave. https://www.cnbctv18.com/economy/view-challenging-times-ahead-for-india-despite-rosy-numbers-13317432.htm

19. Realistic valuation: Govt has shown pragmatism on LIC IPO, but disinvestment needs step-up *(financialexpress.com)* April 29, 2022

It is quite easy to find fault with the government for dilly-dallying on the initial public offer (IPO) of Life Insurance Corporation (LIC), which eventually resulted in trimming the size of the IPO to just 3.5% of its stock for Rs 21,000 crore, from the earlier plan to sell 5% for around Rs 65,000 crore. Many observers say the government missed the bus by not taking advantage of the buoyancy in India's public markets last year. After all, the lineup of IPOs by private companies in 2021 was the highest in the last two decades. Also, the new offer values LIC at Rs 6 trillion, at 1.1 times its embedded value (EV), or the sum of its net assets and future profits, against the earlier proposal of 2.5-3 times the embedded value. The common perception is that the scaled-down valuation doesn't do justice to the country's largest life insurer, as HDFC Life, SBI Life and ICICI Prudential Life Insurance trade at valuations of higher than three times the EV even though LIC holds over thrice the assets under management of all other life insurers combined.

Some of these observations are valid, with the advantage of wisdom gained from hindsight. Given the Omicron wave, uncertainty over the Russian invasion of Ukraine, and capital flight from emerging economies, the government has shown a lot of pragmatism by bringing down the offer size after anchor investors found the original valuation excessive. The government was also considering a proposal to have a base issue size of Rs 21,000 crore and an option to upsize it by another Rs 9,000 crore so that it retains the option to raise up to Rs 30,000 crore by divesting 5%, if there was strong demand. But this plan had to be shelved as the market regulator was reportedly against it because of the lack of regulations around it.

There is no doubt that India's largest IPO still has a lot of things going for it. It surely leaves a lot of potential value on the table for investors, given the price band of Rs 902-949 per share, the discount to employees and policyholders, and the relatively lower valuation. The size of the insurance behemoth is staggering. As of March 31, 2021, it had a 66.2% market share in new business premiums, a 74.6% share in individual policies issued, and an 81.1% share of the number of group policies issued for 2020-21. It is hoped that, as a listed entity, LIC would be more transparent about its governance structures and investment decisions. This is important as, in the past, LIC has often been used by the government to serve its own ends.

The real concern after the reduction in LIC's IPO size is the impact it would have on government finances, against the backdrop of the sharp increase in the fertiliser subsidy and the extension of the free-rations scheme. Meeting the Rs 65,000 crore disinvestment target for the current fiscal looked easy till sometime back as it was almost equal to the original size of the LIC offer. With the status of the Bharat Petroleum Corporation stake sale looking uncertain because of a lack of interest from potential bidders, the government has to think of innovative ways to step up its disinvestment efforts.

The disinvestment record so far has been quite patchy: the government missed its revised disinvestment target for 2021-22, which was slashed from Rs 1.75 trillion to Rs 78,000 crore. The actual collection was just Rs 13,530 crore, of which Rs 2,700 crore came in through the sale of Air India to the Tata Group. Serious thought must be given to the government's earlier indication that the way forward will have to be minimum government-owned enterprises even in strategic sectors. https://www.financialexpress.com/opinion/realistic-valuation-govt-has-shown-pragmatism-on-lic-ipo-but-disinvestment-needs-step-up/2506969/

20. Government gets higher dividend than estimates from CPSEs *(newindianexpress.com)* 29 April 2022

With the revival of economic activities after Covid cases subsided, the central public sector enterprises (CPSEs) registered improvement in their profitability in the financial year ending March 31, FY 22.

As per finance ministry sources, Centre received Rs 59,100 crore dividend from CPSEs in FY 22, Rs 13,100 crore more than the revised estimates of Rs 46,000 crore. This is the second straight year when the Centre's dividend receipts stood higher than the revised budget estimates. In FY21, the government had received Rs 39,022 crore from CPSEs, more than the revised budget estimate of Rs 34,717 crore.

Dividends and profits from CPSEs are important sources of income for the Centre, which come under the non-tax revenue category. According to the rules, CPSEs need to pay 30% of post-tax profit or 5%of net worth, whichever is higher, as a dividend every year to the government. https://www.newindianexpress.com/business/2022/apr/29/government-gets-higher-dividend-than-estimates-from-cpses-2447796.html

21. Fertiliser subsidy may go up 55 per cent to record Rs 2.5 lakh crore in FY'23: Govt sources *(financialexpress.com)* April 28, 2022

India's fertiliser subsidy bill is likely to shoot up by 55 per cent to record Rs 2.5 lakh crore this fiscal as the government will provide additional funds to make up for the spike in cost from higher import price, top sources said on Thursday. The government will ensure that there is no shortage of fertilisers in the country during the kharif (summer-sown) and rabi (winter-sown) season and it is already in talks with major global producers to import key soil nutrients, they added.

According to the sources, Union Chemicals and Fertilisers Minister Mansukh Mandaviya is likely to visit many countries, including Saudi Arabia, Oman and Morocco, soon to secure imports on both short and long term basis. "The government is working hard to ensure there is no shortage of fertilisers in the country," said a top government functionary, and added that the country has sufficient stocks for the ongoing kharif season, and there would be no problems during the rabi season as well.

It is to be noted that fertiliser consumption during rabi season is 10-15 per cent more compared to the summer crops. The government will not increase retail prices of urea and also provide adequate subsidies to ensure that the maximum retail prices of non-urea fertilisers remain at the present level, the sources said.

The government has taken the historic decision on the fertiliser front that it will not pass on the burden to farmers, the sources said, adding that due to higher subsidy, selling price of both urea and DAP (Di-Ammonium Phosphate) are significantly lower in India compared to countries, like US, China and Brazil.

On Wednesday, the Union Cabinet approved a subsidy of Rs 60,939.23 crore for phosphatic and potassic fertilisers, including DAP, for the first six months of this fiscal. "The subsidy bill for 2022-23 could go up to Rs 2.25-2.5 lakh crore. Due to the COVID pandemic, the fertiliser production, imports and transportation have been disturbed globally, the ripple effects of which are being seen across countries including India," the top government functionary said.

The total fertilisers subsidy stood at Rs 1,62,132 crore in the 2021-22 fiscal and at Rs 71,280 crore in 2013-14. Leading exporters like China, which contributes 40-45 per cent of phosphatic imports to India, reduced their exports because of reduction in production. On account of the pandemic, the ongoing war between Russia and Ukraine, and global sanctions on Iran and Russia, the international fertiliser prices have shot up significantly. Also, the freight charges have gone up by four times, the sources said.

The urea prices have increased to USD 930 per tonne in April 2022 from USD 380 per tonne in the year-ago period. Similarly, DAP prices have gone up to USD 924 per tonne from USD 555 per tonne. In India, the sources said, farmers buy the two key fertilisers at highly subsidised rates. Urea is available at Rs 266 for a 45 kg bag while DAP is sold at Rs 1,350 for a 50 kg bag.

The present subsidy on urea is around Rs 3,700 per bag and Rs 2,501 on DAP. The sources also said old orders for fertilisers from Russia are being shipped into India but no fresh import contracts have been entered into because of prevailing uncertainty over payment mechanism. The domestic annual production of urea is around 260 lakh tonne against the demand of 325 lakh tonne.

The gap is filled through imports. In the case of DAP, the domestic production is 50 lakh tonne, and the country imports roughly 70-75 lakh tonne to meet the requirements. The government is reviving several closed urea plants to make India self-sufficient. At present, the domestic cost of production for urea is much cheaper than the imported urea.

However, in the case of DAP production, it is entirely opposite in the current scenario. The government is also promoting use of nano-urea, which was launched last year by IFFCO. Nano-urea is in a liquid form and costs Rs 260 per 500 ml bottle. One bottle is roughly equal to one bag of traditional urea.

Currently, the nano-urea production is 2 lakh bottles per day, and is set to increase multiple times by the year end. The government is also examining a proposal to permit IFFCO to produce nano-DAP. On Wednesday, the government announced a subsidy of Rs 2,501 per bag on DAP, 50 per cent more than the existing subsidy of Rs 1,650.

The government is making available fertilisers, namely urea and 25 grades of P&K fertilisers to farmers at subsidised prices through fertiliser manufacturers/importers. Under the Nutrient Based Subsidy (NBS) scheme, which is being implemented since April 2010, a fixed rate of subsidy (in Rs per kg basis) is announced for nutrients namely Nitrogen (N), Phosphate (P), Potash (K) and Sulphur (S) by the government on an annual basis. The subsidy rates per kg for the nutrients N, P, K, and S are converted into per tonne subsidies on the various P&K fertilisers covered under the NBS. In the case of urea, the Centre fixes the maximum retail prices and reimburses the difference between the maximum retail price and production cost in the form of subsidy. https://www.financialexpress.com/economy/fertiliser-subsidy-may-go-up-55-per-cent-to-record-rs-2-5-lakh-crore-in-fy23-govt-sources/2506648/

22. A reliable succour? *(millenniumpost.in)* 28 April 2022

Looking through the lens of social realities, rather than just in economic terms, revival of old pension scheme appears to be a viable proposition

A recent debate has been triggered on the issue of demand of the government employees to be given pension as it was done before 2005 under the old pension scheme (OPS), and not as per the new pension scheme (NPS) — brought into existence by Central Government in 2005 and adopted by all state governments except West Bengal at different points of time. Uttar Pradesh has been witnessing a major agitation in this regard by various employee associations and, recently, in the run up to the assembly elections, the Samajwadi party had promised in their manifesto that they would revive the old pension scheme if voted to power. Soon thereafter, the Government of Rajasthan went ahead and announced the implementation of the old pension policy for their employees. Recently, I also noticed advertisements appearing in newspapers justifying this decision and pointing out its several benefits. In a similar vein, the Government of Chhattisgarh is seriously considering reviving OPS and several other states are also actively examining the issue.

Noted economists and several retired civil servants have been voicing serious reservation on the revival of the OPS. Their contention is that this would be a financial disaster for the public finances of state governments as salaries and pensions were a major drain on the state resources and were increasing every day due to increase in the number of employees. Additionally, longevity of people was causing a huge strain on the budgetary position of governments, leaving limited resources for expenditure on capital items or social areas like health and education. It is true that the logic used to replace OPS by NPS was that the pension liabilities were rising too fast and the state finances would not be able to bear their burden. To discuss the implications further, it is essential to understand the mechanics of both the schemes. In the OPS, a retiring government officer or employee was entitled to 50 per cent of his last basic pay drawn as a monthly pension till the end of his life. He would also be eligible for an increase in dearness allowances announced from time to time to counter inflation by the government. In the case of the death of the employee, his wife was entitled to get 50 per cent of the pension amount for her life. The NPS does away with this system and instead provides for a monthly contribution being made by the employee (10 per cent) and the concerned government (14 per cent) of the basic salary of an employee and this contribution has been kept in a separate fund where fund manager is expected to invest this in the market and get good returns. On the date of his retirement, a lump sum is available for the employee where he can draw 40 per cent and leave the balance 60 per cent in an annuity scheme to get monthly returns. It is true that this would have a lesser impact on the cash flow on the governments than the OPS. However, it must be examined as to why it is being universally opposed almost by all officers and employees who joined service after 2004.

The employees argue that the NPS is linked to the market. They are apprehensive that the amount contributed is being invested in the stock market and that they would get an amount at the time of retirement which is determined by the stock market. There is, thus, no certainty as to what the value of their contribution would be and nor do they have any role in deciding how the amount is to be invested. Employees have different number of years of service and with the age of entry to almost all government services having been increased significantly, many employees are retiring even after just around 20 years of service. During this period, the NPS corpus that is created by their contribution is too small to give any significant lump sum return or a viable stream of returns through annuity. The employees' associations have been quick to point out several cases where on retirement the employee has been getting a measly sum under the NPS which is too meager to enable the employee to live his balance life with any sense of dignity or comfort. The problem has been further compounded by the fact that many state governments have not been making their contributions regularly to the corpus and also that there is no real time knowledge that an employee has about the fate of his pension fund. Significantly, they point out that if the NPS is as attractive as OPS as pointed out in justification by some governments then why is it that their senior officers who joined the service before 2004 are availing the facility of OPS and not opting for NPS. Similarly, they allege that the policymakers have themselves not made NPS applicable to them. It is also significant to point out that NPS has not been made applicable to the armed forces where the OPS is continuing. In a recent advertisement issued by Rajasthan Government, it was pointed out that the second national judicial pay commission has recommended OPS for the judicial services and the national human rights commission has also expressed its opinion that the state should examine the human rights element involved in NPS vs OPS.

Even though it would not be correct to examine this issue from a purely financial angle I would like to first examine this aspect. All that the OPS is saying is that 50 per cent of the last salary should be given as pension on a monthly basis. There is no reason why state governments cannot plan for this by continuing with the 14 per cent contribution every month and keeping it in a separate corpus and earning returns on it. The budget size of each government is increasing by almost 10 per cent every year and there is no reason why the contribution to the pension cannot be increased by the same amount every year. In this way, the government will be spending only as much every year as they are spending under the NPS. The returns on this corpus can come as an addition to the state finances and, from this, a monthly pension can quite easily be paid to the retiring employees from the government treasury. In this way, I do not foresee any extra pressure on state finances which could imply curtailment of expenditure on physical and social infrastructure. Other innovative ways of handling the situation can also be thought of.

The crucial thing is that the old pension acts as a social safety net for the retiring employees. You only have to look around to see that it is a pension or family pension which allows a pensioner to live a life of dignity and enables him to address his health issues that crop up after retirement. The society is such that children look after their parents if the parents are earning a monthly income to cater to their needs. If a lump sum amount is given then it rarely remains with the old parents, as the children lay claims on the amount to meet some immediate financial requirements of theirs. An OPS ensures that a retiring employee is not dependent on his children and lives in comfort for the remaining part of his life. Every issue should not be seen simply in economic terms and the realities of social life need to be factored in. The government should seriously consider reviving OPS to keep their employees motivated and also get the best brains to apply for government jobs. If the apprehensions around NPS were not genuine then the phenomenon of almost all employees and teachers agitating on a regular basis for revival of OPS would not be there. Policymakers must view this issue not as simply an economic problem but one concerned with providing lifelong social security which is a major objective of a welfare state. http://www.millenniumpost.in/opinion/a-reliable-succour-475908

23. BHEL-GE Power Conversion deal to make propulsion systems for Navy *(business-standard.com)* April 28, 2022

Bharat Heavy Electricals (BHEL) and GE Power Conversion on Thursday signed a pact that will boost the indigenous company's capability for developing an Integrated Full Electric Propulsion System to power Indian Navy warships.

The memorandum of understanding (MoU) was signed in New Delhi in the presence of the UK's Minister of Defence Procurement Jeremy Quin, British High Commissioner to India Alex Ellis, and officials from the ministry of defence (MoD), GE Power Conversion, and BHEL.

GE Power Conversion is a world leader in electric propulsion. Its equipment is installed on some of the latest platforms of the US Navy and the Royal Navy, including the Queen Elizabeth class of aircraft carriers.

The Indian Navy is considering building a second indigenous aircraft carrier, referred to as IAC-2, to add to the combat capability already provided by two carriers: a Russian one called INS Vikramaditya and an indigenous carrier, soon to be commissioned, called INS Vikrant.

With IAC-2 likely to be similar in size and combat power to two existing Royal Navy carriers — HMS Queen Elizabeth and HMS Prince of Wales — a British-French consortium is offering to provide the power system for IAC-2.

With India unable to build a nuclear propulsion system for IAC-2, the British-French consortium, designated the "Power and Propulsion Sub-Alliance", is offering an "Integrated Full Electric Propulsion System".

This will include two Rolls-Royce MT30 gas turbines and an alternator supplied by GE Energy, and two Rolls-Royce propellers. The alliance between GE and BHEL is expected to build the alternator in India.

Last Friday, Prime Minister Narendra Modi and his UK counterpart Boris Johnson announced the establishment of a joint working group on India-UK Electric Propulsion Capability Partnership with the goal of fostering military and industrial collaboration in maritime electric propulsion systems.

Welcoming the MoU, Jeremy Quin said: "GE Power Conversion was integral to an industry-government partnership which developed the UK's world-leading electric propulsion capability currently in operation with our Royal Navy's destroyer and aircraft carrier fleets. With proven ability to support India's frontline ships, BHEL is a perfect partner for this endeavour."

According to a MoD press release on Thursday, "With the signing of the MoU, the expertise and facilities of GE Power Conversion and BHEL can be leveraged for quick induction of this advanced technology."

"GE's powerful electrical networks are capable of supporting a ship's energy requirements, including propulsion, high-power sensors, service loads and pulse power for defence systems. GE's naval technologies are proven on naval applications from 3 Mw to 110 Mw, including naval electric motors and generators, switchboards, power converters, power management and automation and control systems," said GE.

With decades of experience and a deep understanding of naval requirements and standards, GE Power Conversion claims it has the capability to provide integrated solutions for design, integration, installation, and life cycle support of electric propulsion systems.

These are expected to be passed on to BHEL, a central public sector undertaking that has been a supplier of critical equipment and services in the defence and aerospace sector for over three decades. https://www.business-standard.com/article/companies/bhel-ge-power-conversion-deal-to-make-propulsion-systems-for-navy-122042801436_1.html

24. Centre to step on the gas to meet Rs 1.62 lakh crore asset monetisation target *(economictimes.indiatimes.com)* April 29, 2022

The government is looking to speed up work to achieve its ambitious target to raise ₹1.62 lakh crore through asset monetisation in FY23.

Cabinet secretary Rajiv Gauba has called a meeting on Friday of secretaries from 12 key ministries to discuss their detailed roadmap with clear timelines for monetising assets such as power lines, gas pipelines, roads, and railway assets among others. The meeting will also seek an explanation from the ministries that missed the FY22 monetisation target, people with knowledge of the matter told ET.

Officials from the ministries of petroleum and natural gas, telecommunication, railways, ports, shipping and waterways, civil aviation, power, coal, mines, road transport and highways, tourism, sports and food, and public distribution are likely to attend the meeting. Finance ministry officials will also be present at the meeting. "This year the target is high. While this is achievable, the mandate is to start working early on the monetisation plan," said an official.

'Detailed Presentations'

"All the ministries have been asked to come up with detailed presentations on the future roadmap regarding asset monetisation, with clear deadlines," the official said. The cabinet secretary will also review the performance of all ministries in the last fiscal. Against the target of Rs 88,190 crore for FY22, the government monetised assets worth Rs 96,000 crore.

"While coal and mining sector and even highways did well, some ministries like railways, warehousing and telecom have not done well," said the official. "So, they are required to enhance their efforts."

Earlier this month, finance minister Nirmala Sitharaman had reviewed the implementation of the National Monetisation Pipeline (NMP) along with the Niti Aayog, which had been tasked to help ministries in identifying assets. The NMP was announced in August 2021 by Sitharaman to unlock value in infrastructure assets across sectors in brownfield projects by engaging private sector participants or transferring to them revenue rights for a fixed period. https://economictimes.indiatimes.com/news/economy/finance/centre-to-step-on-the-gas-to-meet-rs-1-62-lakh-crore-asset-monetisation-target/articleshow/91164852.cms